VZCZCXRO5671 PP RUEHCHI RUEHNH RUEHPB DE RUEHDT #0213/01 1251536 ZNY CCCCC ZZH P 051536Z MAY 06 FM AMEMBASSY DILI TO RUEHC/SECSTATE WASHDC PRIORITY 2486 INFO RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RUCNDT/USMISSION USUN NEW YORK PRIORITY 0374 RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE RUEHXX/GENEVA IO MISSIONS COLLECTIVE RUEHBY/AMEMBASSY CANBERRA PRIORITY 0436 RUEHLI/AMEMBASSY LISBON PRIORITY 0363 RUEHLO/AMEMBASSY LONDON PRIORITY 0220 RUEHKO/AMEMBASSY TOKYO PRIORITY 0234 RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0305 RUEHBR/AMEMBASSY BRASILIA PRIORITY 0106 RUEHDT/AMEMBASSY DILI 1807

C O N F I D E N T I A L SECTION 01 OF 04 DILI 000213

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SUBJECT: EAST TIMOR UPDATE: ARMY RETURNS TO BARRACKS AS GOET URGES

CALM

REF: A) DILI 184 B) DILI 194

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CLASSIFIED BY: Elizabeth S. Wharton, Political Officer, Embassy Dili, State. REASON: 1.4 (b)

11. (SBU) Summary. The Embassy's current assessment is that the potential for politically motivated violence in East Timor in the near future appears to be de-escalating. Although the likelihood of imminent violence appears low, the ongoing political and constitutional crisis caused by Prime Minister Mari Alkatiri's extra-constitutional decision to use the armed forces (F-FDTL) to quell the April 28 riot --- and by the widespread belief that F-FDTL members then committed serious human rights violations --- continues. Developments on the ground, including the decision of the Government to order almost all F-FDTL members to withdraw from Dili and several public statements by President Xanana Gusmao, point toward stabilization. Two groups whose flight to the mountains outside Dili have been the focus of some recent rumors of imminent violence --- a group of dismissed soldiers whose demonstrations led up to the riot (the "petitioners") and the group of military police (MPs) and members of the national police service (PNTL) who left their ranks and are gathered at an unknown location --appear to have no violent intentions. Rather, these two groups appear to have fled primarily out of fear that their lives were in danger, and perhaps also in order to make a political statement. However, the nature of the ongoing political situation remains fluid and the potential remains for another security crisis if the respective actors do not stay their current course. Meanwhile, the Embassy is concerned that a humanitarian crisis may be brewing as thousands of internally displaced people remain in various locations around Dili and in outlying districts. End summary.

National leaders working to stabilize the situation

12. (U) Developments on the ground currently indicate a trend toward stabilization and the restoration of calm. There have been no reported incidents of violence in Dili, other than what appear to be a few routine non-political crimes, for the last

five days. Although there is still widespread fear and distrust of the Government (and particularly of the F-FDTL) among the population of Dili, statements and actions by Government leaders during the last 24 hours are addressing these fears. In particular, Government officials announced yesterday the final withdrawal of all F-FDTL soldiers from the posts that they had been occupying around Dili's perimeter. In addition, they announced that all special police units were ordered to return immediately to their respective headquarters and to turn in their long-barreled firearms. According to the Government's announcements --- and to President Gusmao in a conversation with Ambassador Rees, reported Septel --- all law enforcement activities in Dili beginning at 4 p.m. yesterday were to have been by "community police" on foot patrols and by a few joint vehicle patrols by PNTL members augmented by the remaining 15 members of the military police. The Embassy has confirmed that all the F-FDTL posts around Dili's perimeter have been withdrawn. Although Embassy has received two eyewitness reports of trucks full of F-FDTL members in Dili today, these may have been transporting F-FDTL members to their barracks or headquarters. Embassy staff also witnessed at least one vehicle transporting a officers of a special police unit, with their long-barreled firearms, out of Dili in the direction of the unit's headquarters. The presence of community policing patrols has also been confirmed. (Comment: The community policing is also an important step because of worries regarding the potential for wide-scale looting in the neighborhoods that have been mostly abandoned by their residents. End comment.)

¶3. (U) Government leaders have been making a concerted effort over the last two days to show a united front and to attempt to direct developments back toward the political process. Most notable have been joint appearances by President Xanana Gusmao and Prime Minister Mari Alkatiri --- whom many rumors and some intelligence reports have regarded as possible antagonists in an armed struggle for control of the country --- both yesterday and today. Yesterday, in a joint appearance on national television, they announced the revised security posture described in

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previous paragraph. The President and Prime Minister also jointly announced the inauguration of a commission to investigate the complaints of the dismissed soldiers and called for calm and a return to normal. Today, Gusmao and Alkatiri together called print and broadcast journalists for an interactive off-the-record discussion on the current situation. An Embassy staff member who was able to observe the session, although it was closed to the public, noted that both men appeared relaxed and friendly with each other, in marked contrast to their separate and cheerless appearances a few days ago. Emphasizing that they do not want to tell the news media what to report, they appealed to them to help calm the panic that has seized so much of the population. They assured the journalists that security was under control, and they asked them to remember their responsibility to the public and to refrain from reporting rumors and to make an effort to report the positive things that are happening.

14. (SBU) Two separate commissions have now been established to address the major outstanding issues of this crisis. The first, mentioned above, is the Commission of Investigation, charged with with looking into the complaints raised by the dismissed soldiers in their original petitions. (Reftel A) This commission was sworn in by the Prime Minister today at a brief ceremony attended by the Dili diplomatic corps and the news media. In addition, a Committee for the Verification of Details About Dead and Injured was established early this week to look into allegations of 60 as-yet-unreported killings during the F-FDTL operations last weekend. The committee includes government, police, and Red Cross representatives. The majority of the members of both Commissions are highly regarded and are likely to engage in a serious search for the truth. Reliable Embassy sources have told Emboffs that both Alkatiri and Gusmao are pressuring both investigative bodies to begin their work immediately.

 $\P5$. (C) Despite these encouraging actions by the Government, one reliable source reports that Prime Minister Alkatiri was extremely close yesterday to authorizing the delivery of an ultimatum to a group of petitioners who are thought to have gathered in Ermera. The ultimatum would have demanded that they surrender within hours or that security forces would be sent to seize them. It is likely that such an action would have been conducted by the F-FDTL, not the police. Such a move would in all likelihood have resulted in a return to violence, with some elements of society coalescing around the Government and F-FDTL and others around the ex-FDTL petitioners. According to the Embassy source, who obtained the information from participants in the meeting, the deliberations changed course after phone calls by UN Special Representative for the Secretary General (SRSG) Sukehiro Hasegawa, to both the Prime Minister and the President in which Haseqawa emphasized to both officials the importance of avoiding any further confrontations. (Note: It is our understanding that President Gusmao was not in this meeting and, like Hasegawa, has urged Alkatiri and other GOET leaders to avoid confrontation.)

Dismissed soldiers and defecting police not a present threat

16. (SBU) Many rumors over the last two days --- as well as much of the concern among Alkatiri and members of his Government --have focused on two groups that have fled Dili during the last week and are believed to be hiding in outlying mountainous districts. The first group consists of an unknown number of ex-FDTL petitioners, including the leader of the group, Lieutenant Gastao Salsinha, who after the April 28 riot either dispersed in various places outside Dili and/or coalesced in one location, generally thought to be near Ermera. According to some rumors and to statements by some GOET officials, Salsinha and his group plan either to wage guerrilla warfare in the mountains or to mount an attack on Dili. It appears increasingly clear, however, that Salsinha and his group fled to the mountains primarily because they were afraid of being killed by their ex-colleagues who remain on active duty in F-FDTL. In a telephone conversation with an Embassy staff member yesterday, Salsinha relayed that he trusts neither the F-FDTL nor the Government and remains convinced that several dozen of his colleagues were killed by F-FDTL in Tasitolu on Friday night

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and/or Saturday morning (April 28-29). He stated that he has no intention to initiate any additional conflict, but that his group would do "whatever is necessary" to defend themselves if the F-FDTL were to go after them. During the conversation with media referenced in paragraph 3 and in a conversation with Ambassador Rees (see Septel), President Gusmao reported that he had also spoken by telephone with Lieutenant Salsinha and had received a similar statement. Gusmao said he then told Salsinha that he should stay quietly where he is until the situation returns to normal and then they could address how to bring him out of hiding. President Gusmao also assured him that the commission established to investigate the dismissed soldiers complaints would be fair and credible. According to the President's chief of staff, Salsinha and the other petitioners are now drawing up a list of demands or conditions for their return to Dili.

¶7. (C) The Embassy has also confirmed that a group of approximately 19 members of the F-FDTL military police unit (MPs), together with several PNTL members, departed their posts on Wednesday night and have gathered in a nearby district. Our information based on direct contact with members of the group and with Australian Embassy sources is that this group's intention was to send a message to the Government that they disagreed with F-FDTL involvement in quelling the riot --- both with the decision to call in the armed forces and with the subsequent abusive manner in which F-FDTL behaved --- and that the Government would not have the support of all security forces if it chose to confront the dismissed soldiers with force. The group is reported to be particularly upset by the unconstitutionality of the decision to call up the F-FDTL ---

the decision was made without a Parliamentary declaration of a state of emergency and without consulting the President --- and by the fact that orders during the operation were all given orally, thus obfuscating accountability. Some members of this group, which includes the highly regarded commander of the military police unit, Lt. Col. Alfredo Reinaldo, reportedly also feared for their lives at the hands of their F-FDTL colleagues who led the weekend operations. More information regarding this group and its intentions will be provided Septel.

Fear and rumors remain an issue and thousands remain displaced

- 18. (U) Despite continued calm and the Government's steps to stabilize the situation, an epidemic of panic took hold of Dili over the last couple days which has resulted in additional thousands fleeing the city (see reftel B). While a number of neighborhoods in the city remain normal, with all or most residents remaining, a large number are completely empty or down to only a handful of people. Embassy personnel yesterday observed a constant stream of vehicles loaded down with people and their belongings heading out of the city. In speaking to people fleeing Dili, we continue to find that the reasons for their departure are lack of information, uncertainty, and the momentum of fear created as more and more people leave. In addition, people cited the continued F-FDTL presence through yesterday afternoon as a contributing factor, although it is not yet clear whether the confirmed departure of F-FDTL from Dili will contribute to a reversal in the trend.
- 19. (U) It is unclear exactly how many people are now internally displaced, but the number is almost certainly in the tens of thousands. It is likely that it will take at least several days, and perhaps longer, for many of these people to be convinced that it is safe to return to their homes. As a result, the Embassy is concerned that the existence of so many internally displaced persons (IDPs) may become its own humanitarian crisis in the days to come, necessitating a large-scale humanitarian response. Many national and international non-government organizations are already working to address food, medical, and other needs. USAID is assisting in these efforts. These efforts will probably need to continue and to be expanded significantly in coming days. More details on the IDP situation will be provided septel.
- 110. (C) Comment: Despite current encouraging trends toward normalization, the political situation in East Timor remains fluid and possibly fragile. There is still potential for

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another security crisis if the respective actors do not stay their current course and will need to be tracked closely in the coming days. For instance, the Government's serious consideration of an ultimatum to the ex-soldiers was worrying. However, the reported influence of SRSG Hasagawa's pressure for moderation indicates that the international/ diplomatic community can play an important role in helping to keep things on track. Amembassy Dili and the diplomatic missions of like-minded countries are engaging in similar efforts. President Gusmao is also making constant efforts to persuade Government leaders and their adversaries to remain calm and non-confrontational. If the trend of the last two days continues --- with each day being at least a little bit calmer than the day before --- East Timor is likely to weather the current crisis. End comment. REES